



Ad Val Advisor

*The Newsletter
for Wyoming
Property Tax
Appraisers*

Inside: ♦ Note from the Administrator ♦ Conversion Clean-Up ♦ Personal Property Changes
♦ "The Perfect Storm" ♦ Ag Update ♦ Veteran Database ♦ and More..

Ad Valorem Tax Division Newsletter

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The Road Just Traveled; the Road Ahead

I started to write this column to talk about the events of 2004, a recap of sorts. I will do that for a moment, but I also want to, as the title suggests, talk about the "road ahead."



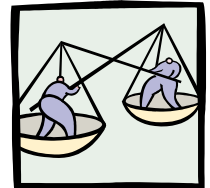
For the Ad Valorem Division, it has been an exciting year. We (along with the CAMA selection committee) chose Colorado CustomWare, Inc. as our CAMA vendor, signed a contract, and began the process of implementing a new CAMA system for Wyoming County Assessors. We began a new budget biennium in July. We grappled with several other legislative issues—more about that in a minute. The Department undertook administration

of a substantially modified property tax relief program. The 2003 legislation that modified special taxing district reporting requirements to the Department took full effect January 1, 2005. That led to a flurry of activity in Ad Valorem's mapping section during 2004. Amidst all of that, the Division performed all of its normal day-to-day functions. We also saw the retirement of one of our "old hands", Ron Chubb, and the hiring of two new employees, Cayse Cummings, and Brian Hall (more about Brian in the next issue; and—no—so far as we know, he is no relation to this Administrator).

For me, 2004 was a mixed year. I am pleased with the professional growth of my staff over this past year, and I am pleased with the progress being made on our special, one-time (we hope) project: the CAMA implementation. On a personal note, I have been saddened by the untimely passing of three of my longtime friends in the assessment business. While none of them would probably be known to the Wyoming assessment community, all three were consummate professionals in their work, and all three were the personally upstanding and decent people one finds so commonly in this profession. While it was our common profession that acquainted me with these individuals, it is my memories of their personal sides, their humor, character, and plain decency that I find comforting as I deal with my sense of loss.

Looking forward: 2005 promises to be an exciting year. The 2005 legislative session is an interesting one already. Several bills

concerning the treatment of intangible property have appeared. This issue may be one of the hottest taxation issues of this legislative session. The outcome may affect tax policy for years to come, and may have a significant influence over the property tax base in Wyoming in the future. More changes that would effectively expand the number of potentially qualifying individuals for the Property Tax Relief Program are on the legislative horizon. Proposed changes to modify (hopefully simplify) the special districts reporting law are already in the legislative hopper. Other legislation significant to Wyoming's property tax system has appeared, or may appear before this legislative session is over.



2005 also promises to be a year that we study things and adapt to change. Agricultural issues will be the subject of some study this year. When one talks about the new CAMA system, many person-days (is that the now politically correct term?) have already been devoted to the study of how the "new world" is going to look. The results of all that study are now translating into programming, conversion routines, and—soon—deployment. To be sure, the CAMA deployment will be challenging, labor-intensive, and—at times—problematic for all involved. No one should think that it will be easy, but, then, few worthwhile things ever are. The results, however, will be groundbreaking. No other state has

done a CAMA deployment quite like this.

For the year 2005 lying before us, I give you this thought. It's an old cowboy saying. "You can either make dust, or eat dust." For 2005, I believe the Ad Valorem Division intends to innovate—to "make dust" as it were. Ride with us.

Wade W. Hall
Administrator
Ad Valorem Tax Division

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The Perfect Storm

It's not just a movie; it appears to be reality here in the Ad Valorem Tax Division. How many big events could possibly occur, simultaneously, at this particular moment in time, to the same small group of people? Three to be exact.

Each of our recent big events is probably news worthy alone, but I will try to recap the major issues we are dealing with today.

Special Districts

No one wants to be the messenger that recommends removing funding from basic services such as Fire Districts, Hospitals, Water and Sewer Districts and the like. However, legislation that went into effect in 2005 has placed the Department in that very position. See Wyoming Statute §39-13-102(p) and §39-13-104(k)(iv) for more information.

At a very fundamental level, we believe the Legislature makes a valid point. In general, Special Districts are elusive to track and they have traditionally not provided adequate information to everyone involved in the process.

Subsequently, the staff here at the Department spent over a year

contacting taxing authorities, collecting information and reviewing materials for compliance. The good news is that several districts filled in the missing information and became compliant. The bad news is that many remain non-compliant and will be certified as such. As of the publishing date of the newsletter, every tax district, County Assessors, Clerks and Commissioners should be notified of the results of this review.

Please note a determination of non-compliance means that the County Commissioners are not authorized to approve a tax levy for the district in question, and the district would consequently lose its ability to receive property tax revenue for tax year 2005.

Senate File 0021 is currently being considered by the Wyoming Legislature. This bill may affect compliance requirements. That, however, didn't absolve the Department from sending out the compliance letters for this year.

Obviously this is a big issue that continues to evolve.

Agricultural Land

The title alone stirs emotion these days. The Local Assessment and Mapping Staff have been busily researching items that were proposed by the AG committee last fall. Some of the suggestions represent a significant change in the way agricultural land is valued in the State. These items will be discussed in detail this spring when the AG committee reconvenes. For more information, please see Jeff Moore's article in this month's edition of the AdVal Advisor.

CAMA Project

The Department of Revenue has been neck deep in conversion issues for several months now. With the assistance of CCI, the project has been moving steadily forward. The issues the conversion team has encountered have been



numerous, but we have been pretty successful finding workable solutions.

Both beta counties, Sweetwater and Uinta, have been working with the DOR and CCI to review data. Both counties have received some limited training on the RealWare product and have been provided access, over the Internet, to the database here at DOR. Together, we have been digging through data and looking for inconsistencies. All of our collective findings and facts are being recorded under the Issues List on the project website. Please note that this is only the first conversion attempt by CCI. A second "beta county" download from the mainframe has already occurred and we should be looking at those results in RealWare here very shortly.

Collectively, we have all been wrestling with issues surrounding the creation of notices of value and the tax roll. More importantly we are working to firmly establish how this new CAMA system and administrative program fit into the existing county systems.

The conversion team has also been busy in the beta counties with IT walkthroughs and working up hardware orders. This is an exciting, tangible step toward implementation. The hardware that is being purchased for the project is very robust and should provide the county very good performance.

The tough part with the CAMA project is expectations. Everyone has them and, oftentimes, they differ. Regardless of how much time, effort or money that we have all invested in older technology, we now have to change. The CCI RealWare product is designed to perform duties and functions that many counties have had to develop for themselves. This will need to change too.

Thinking about it in retrospect, I don't believe things worked out very well for the boat and its crew in that movie! Hopefully that's not a good analogy. Nonetheless, as you can probably imagine, these three items together

makes for a very busy work day. As long as we don't encounter any huge rogue waves and we can endure the weather, we will continue to keep you apprised of our progress!

David Chapman
Local Assessed Manager
Ad Valorem Tax Division

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Hardware Information

Detailed information about the hardware you will be receiving in conjunction with the CAMA project can be found on the project website.

Go to <http://wyocama.sharepointsite.com> and click on "Hardware" on the right side of the page. In this folder you will find descriptions of the server, PC, field unit, and printer that have been selected for the installation. If you need more specific information on these items, please call Geir Solvang at (307) 777-5432, or email: gsolva@state.wy.us.

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Cleanup Reports for Conversion

Many Assessor Offices are wondering where they should concentrate their cleanup efforts.

Each Committee Chair, along with their Committee, compiled a list of cleanup areas that should be addressed before conversion.



The committee lists were grouped into a master list, separated by CAMA system, and sent to Clyde Barker. Clyde then began to build reports for each legacy system. If a Committee decided that no cleanup was needed for their area, no parameters were developed. However, new parameters

will be added to any of the reports if problem areas arise and need to be reviewed.

A TASBW60 report was built for the WYS counties and parameters were set up for the different committee areas. Originally, this report was tested by Uinta County to work out any bugs. The report was then pushed out to all the counties for use. It has eight basic parameters to choose from, with the expectation that more can be added later. A basic procedure was sent out to all the WYS counties on how to run this report. I have seen that many counties are using this report and questions have been streaming in.

A TASBW61 report was developed for the CLT counties and separate parameters were set up for each committee area. Sweetwater County was gracious enough to test this program before it was sent out to the rest of the CLT counties.

Clyde is currently working on a TASBW62 report for Personal Property. This report will concentrate on the personal property areas that need to be cleaned up prior to conversion

Clyde Barker has done a great job in combining a multitude of reports into one easy to use report for WYS, CLT, and Personal Property. These three reports will definitely assist the Assessors in addressing the areas of cleanup and should help the counties to save time. I look forward to visiting with the counties about these reports as we progress through the project.

Jack Rehm
Principal Appraiser
Ad Valorem Tax Division

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Personal Property System Changes

There are a few changes that I wanted all of you to be aware of as we

work through the conversion to the new system.

1. We will be changing the life on all 3 year items to a 5 year life to match the Marshall & Swift Depreciation. *(This will apply to counties that have been converted).*
2. We will be adding CWP (Construction Work In Progress), Pollution Control Equipment Exemption and Fire Control Equipment Exemption to Type I in RealWare.
3. We will be adding Chemical Pipelines to Type I and Type II with a 20 year life in the Personal Property. This is for locally assessed industrial pipelines. The reason for the difference in the life is due to the corrosiveness of chemical pipelines. This addition will be available in the legacy system as well.
4. Pipelines in the Oil & Gas PP will be changing from a 26 year life to a 25 year life. This applies to both RealWare and the legacy system.

The changes will be made in the Personal Property Conversion Standard as soon as time permits.

I would imagine that all of you are wondering what was behind the depreciation discussions. The old depreciation that we have used for years would not actually freeze at 25% in RealWare so we needed to look at a new depreciation system, or "force" the depreciation calculations. Therefore, we decided to adopt Marshall & Swift's Depreciation Tables for Furniture, Fixtures & Equipment. This decision made the most sense since all of the real property will be utilizing Marshall & Swift Depreciations Tables as well, plus the Assessors Committee chose to use Marshall & Swift for the new system. We discussed changing all the depreciation in the legacy system to use Marshall & Swift too, but found that it would be a monumental

programming undertaking with limited time to do it.

The legacy system trending and depreciation tables are out on the department's web page as of 1/24/05 along with all of the new forms.

The oil & gas values have not been received as of the issue date of this newsletter.

Joyln Stotts
Principal Appraiser
Ad Valorem Tax Division

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Agricultural Update

The valuation of agricultural lands has been a hot topic over the past few months; the Department of Revenue was invited to speak at the Wyoming Stock Growers Winter Convention held in Casper November 30 – December 2, 2004. David Chapman, Jeff Moore and Bob Eicher represented DOR at the meeting. The 2005 Agriculture Land Valuation Study was presented and questions were answered.

The Department of Revenue enjoys the opportunity to educate and inform Wyoming's public on agricultural lands. We will also be speaking at the Wyoming Board of Agriculture meeting on February 10th here in Cheyenne and at the Wyoming Farm Bureau Federation 2005 Legislative Meeting on February 15th at the Cheyenne Little America Hotel. The same topics will be discussed: how agricultural land is valued and the Agriculture Land Valuation Study.

As a result of the Agricultural Committee Public Meeting, held November 17, 2004 here in Cheyenne, the Committee will be looking over and discussing possible changes to the Agricultural Land Valuation Study. The Department has taken the

suggestions discussed at the meeting and run them through the current study. The results will be mailed to all Agricultural Committee members for review and a meeting will be planned for April or May to discuss and vote on the results. The possible changes are as follows:

1. Apply a 5-year straight average rather than a 5-year weighted average,
2. Use a 25-year average on actual Wyoming commodity production.
3. Use a 5-year weighted average on actual Wyoming commodity production.
4. Change the Capitalization Rate years to match the Commodity Pricing Table years.

Any changes made will only arise from a unanimous vote from the Agricultural Committee, and any changes would not take effect until the 2006 tax year. Assessors have representation from two sources on the Committee: The Assessor Association President, and the Goshen County Assessor.

The Department of Revenue is also in the process of re-writing the "GIS Mapping & Agricultural Lands Manual". We plan on having this manual ready for distribution later this year. The Department is in the process of writing an Agricultural Lands and Agricultural Support Buildings Appraisal Course as well. The course will be taught utilizing the new "GIS Mapping & Agricultural Lands Manual" and will be a full five day course. There will be an exam at the end of the course to ensure all participants gain the knowledge the course is intended to provide. We hope to be offering this course later in the year.

Jeffery Moore
Principal Appraiser
Ad Valorem Tax Division

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Veteran Exemption Database Implementation

A lot of resources have been devoted to the CAMA project the last few months, but we are finally at a point where we can dedicate some more time to push the Veteran Exemption Database (VED) plan forward.

A final review of the VED by the Veteran Committee will take place, probably via the internet, in the very near future. A meeting with CCI on the connection issues between RealWare and VED has already been scheduled, and we are very optimistic about finding a data transfer scheme that will be both effective and secure.

The general strategy for putting the database into production will be to follow the CAMA project implementation schedule. As counties go live with the CCI product, we will load your veteran data into VED and establish the connection with RealWare as determined by CCI and DOR. This plan will give most of the counties more time to prepare their county veteran data for upload, and we will be able to focus on one jurisdiction at a time to make sure all data sets are converted cleanly. However, if a county would like to have their veteran data in the new system prior to their scheduled CAMA installation, we can do their upload early.

The conversion document for veteran data sent out in February of last year is still the official guideline for compiling local veteran data and sending it to DOR. If you need additional copies of the document, please contact Geir Solvang at (307) 777-5432, or email: gsolvva@state.wy.us.

Geir Solvang
Principal Appraiser
Ad Valorem Tax Division

Wyoming CAMA

Conversion Directive

January 27, 2005

Overview

The following lists the mandatory conversion objectives that the Department of Revenue (DOR) expects from the County Assessor. This list has been developed to ensure full and complete conversion from the legacy mainframe CAMA system to the CCI RealWare product.

Directive

1. The Notice of Value (NOV) or Assessment Notice will be generated out of the RealWare system.
 - a. DOR and CCI will be providing one standardized format for the NOV.
 - b. The DOR is providing each county a high speed printer that is capable of producing the NOV.
 - c. The DOR is not requiring that the NOV be printed in-house. Each county will have the flexibility to print the physical notice either in-house or using a printing service. However, DOR requires that the NOV complies in content and format with Statute and the DOR has the opportunity to approve any new form prior to use.
 - d. The DOR will require a download from the county systems that will include, but is not limited to, last year's values, fee based district information, etc.
2. The County Assessor will be required to begin using the new abstract codes in the same year that they go live.
3. All tax districts that have the ability to levy a mill will reside on the RealWare product. This includes all of the district's associated mill levy information.

4. One final download will be taken from the mainframe and converted to RealWare prior to the county going live. DOR will not provide a mainframe download to the County system.
5. The county will have a ninety day grace period to access the mainframe system in a read/write mode. No additional downloads or mainframe system support will be provided during or after the grace period and all access will be removed after the grace period has expired. This includes the creation or production of reports. Moreover, the County Assessor will be solely responsible for reconciling any changes between the mainframe and the RealWare product after the go-live date.
6. All balancing that is required must occur prior to the county going live. This effort will be coordinated by DOR, CCI and the individual County office.
 - a. Balancing will occur between the State Mainframe and the CCI RealWare product.
 - b. For those counties that have selected external data sources for various information (i.e., agricultural land, personal property, etc.), the county will be required to provide certain totals from their county systems to aid in the balancing effort.
7. The tax roll will be generated out of the RealWare product.
8. DOR will begin to perform onsite reviews, which will include reviewing both the NOV and tax roll and comparing them to the data generated out of the RealWare system for uniformity.

Wade W. Hall
Administrator
Ad Valorem Tax Division

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Upcoming Ad Valorem Sponsored Education

03/07/05 – 03/11/05

IAAO Course 310,
Application of Mass Appraisal
Fundamentals,
Gillette, WY

06/13/05 – 06/14/05

IAAO Workshop 151,
Uniform Standards of
Professional Appraisal Practice,
Lander, WY

07/14/05

IAAO Forum 917,
How to Critique an Appraisal,
Laramie, WY

08/22/05 – 08/26/05

IAAO Course 600,
Principles & Techniques of
Cadastral Mapping,
Thermopolis, WY

10/03/05 – 10/04/05

IAAO Workshop 163,
Marshall & Swift Cost Approach –
Commercial,
Evanston, WY

For information on classes, please
contact

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email: jrehm@State.wy.us